Star Stone Quarries, Inc. 4040 South 300 West Salt Lake City, Utah 84107 Tel. (801) 262-4300 Fax (801) 262-4474

August 29, 2000

Mr. Lynn Kunzler Senior Reclamation Specialist Division of Oil, Gas, and Mining P. O. Box 145801 Salt Lake City, Utah 84114-5801

re: Conditional Notice of Tentative Approval for Cotton Thomas Quarry; M/003/024, Box Elder County, Utah.

Dear Lynn:

Enclosed are another set of documents for the Cotton Thomas Quarry in response to your request. The original set was mailed to Wayne Hedberg. Included is a copy of the original unsigned letter. The original signed faxed letter was mailed to DOGM last week.

Included in the documents are Appendix # 6 which is our response to DOGM's letter of August 8, 2000; Appendix # 7 which is a letter and map from October 6, 1997 regarding the Camp and certain roads not being required to be reclaimed; and a map showing better detail than the other map noted. These maps are not of the greatest quality. They represent at best a copy of a copy of a copy, and were included to show the exempted Camp and roads. You may wish to refer to the original map from 1997.

I also included in this package, some information on the Aragonite millsite for Tom Munson. Please give those items to him.

Sincerely,

David Ryzak

cc: Lon Thomas

President; Star Stone Quarries, Inc.

Enclosures

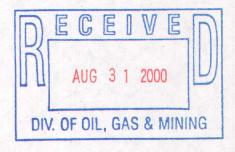
RECEIVED

AUG 3 1 2000

DIVISION OF OIL, GAS AND MINING Star Stone Quarries, Inc. 4040 South 300 West Salt Lake City, Utah 84107 Tel. (801) 262-4300 Fax (801) 262-4474

August 16, 2000

Mr. D. Wayne Hedberg Permit Supervisor Division of Oil, Gas, and Mining P. O. Box 145801 Salt Lake City, Utah 84114-5801



re: Conditional Notice of Tentative Approval for Cotton Thomas Quarry; M/003/024, *Box Elder County, Utah.

Dear Wayne:

Thank you for your letter of August 8, 2000, regarding the conditional notice of tentative approval to Commence Large Mining Operations for our Cotton Thomas Quarry located in Box Elder County, Utah. It will be very nice to get this part of the process behind us. We still have one area of the process that we hope to make revisions on; that is the roads proposed for post mining use, and which we requested for variance.

It is the plan of the operator to use several of the roads in the post mining use of the property. Therefore, we believe those roads which have been requested for exemption in the past be exempted from the reclamation standards.

In order to not get into a long process of revising the entire document, we addressed DOGM's comments and conditions in two appendixes. The appendixes labeled Appendix # 6 and Appendix # 7 can easily be added to the document signed July 20, 2000.

Thank you for your assistance.

Sincerely,

Lon Thomas

President; Star Stone Quarries, Inc.

Enclosures

Star Stone Quarries, Inc. 4040 South 300 West Salt Lake City, Utah 84107 Tel. (801) 262-4300 Fax (801) 262-4474

August 16, 2000

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In order to not get into a long process of revising the entire document, we addressed DOGM's comments and conditions in two appendixes. The appendixes labeled Appendix # 6 and Appendix # 7 can easily be added to the document signed July 20, 2000.

Thank you for your assistance.

Sincerely,

Lon Thomas President; Star Stone Quarries, Inc.

Enclosures

A copy of this letter was signed by Lon Thomas and faxed to DOGM

COTTON THOMAS QUARRY STAR STONE QUARRIES, INC.

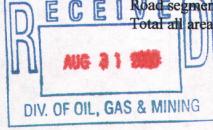
Appendix # 6 August 16, 2000

The following sections address the conditions and comments from DOGM in the letter to Star Stone Quarries dated August 8, 2000. The numbering is the same as the reference number used by DOGM.

- 1. The operator acknowledges that the proposed 4.7 mile access road will need to be amended to the plan at a later time.
- 2. The operator concurs with DOGM that 66.32 acres will be affected by this permit. The operator requests that reclamation requirements be reduced to 50.95 acres as stated under rule R647-4-105.3.2 and shown on Map # 7 in the NOI signed July 20, 2000.
- 3. The operator concurs with DOGM's calculations concerning soil salvage, and the approved variance from soil salvage as identified on Map # 4.
- 4. The operator concurs with DOGM's approval of the highwall variance at the Autumn Gold Quarry.
- 5,6. These sections are lumped together because the operator is not able to distinguish a clear separation in addressing DOGM's conditions and comments.

The operator plans to use the previously requested roads for variance for his ranching activities. He does not understand why they should have to be bonded for reclamation, reclaimed in order to get the bond released, then reconstructed for use in ranching activities. This does not make logical or economical sense.

The operator requests a variance from rule R647-4-111.8 - Reclamation of all roads to include those roads identified under rule R647-4-112.2 - Variance, in the NOI signed July 20, 2000. Certain of the roads were identified originally on a map that accompanied a hand-delivered letter dated October 6, 1997. DOGM's response was dated October 8, 1997. David Ryzak met with Lynn Kunzler about this subject and the Camp and exempt roads were hand colored on a copy of a topographic map originally drafted by DOGM. If there has not been an error in transcription, those exempt areas include:



COTTON THOMAS QUARRY

Appendix # 6

This is the same information as was included under rule R647-4-105.3.5 of the July 20, 2000 NOI, and shown on Map # 4. The first three roads have been previously approved by DOGM. The 4th road has not been approved by DOGM.

The following information is added to help DOGM understand background information about the 4th road. According to the October 8, 1997 letter, an exemption should have been granted for the 4th road. The description of the 4th road as it now exists is complicated. The DOGM map of 1998 showing all of the road segments and quarry areas at that time, shows the 4th road being 0.96 mile long and totaling 1.86 acres. It originally ended at the West Granite Quarry. The southeast leg which starts northeast of the Buckskin quarry will be reclaimed. It is 0.22 mile long and was calculated to cover 0.42 acre.

The 4th road was extended to an existing road traversing Section 17 in a general north-south direction. A spur off this road goes west, then northwest ending near the northwest corner of Section 17. The extended road meets near the intersection of the two existing roads at about 7,950 elevation east of the center of Section 17. It was calculated to be 0.19 mile long and covers an area of 0.37 acre. To keep calculations from becoming more complicated, the measurements were increased to match those of the southeast leg that will be reclaimed. Thus the total length of the 4th road remains at 0.96 mile, and the total affected area remains at 1.86 acre.

The extended road is used to access the North Granite Quarry and is planned for post-mining access for the ranch. This is a superior road compared to the original road coming from the south off Mahogany Creek. The original two track 4 wheel drive road is very steep coming up the ridge from the east side of Mahogany Creek. The new road will be used for post-mining access instead of the very steep road. It is not planned to be reclaimed.

A copy of the October 8, 1997 letter from DOGM to American Stone; and the transcribed map is included as Appendix # 7. The letter was erroneously referred to as a "letter from AS to DOGM dated 10/8/97," in the Reclamation Surety Estimate for Cotton Thomas Roads included in Appendix # 4 as part of the July 20, 2000 NOI.

- 5,6. The following sections address the operators requests under rule R647-4-112.2 Road reclamation variance request from the July 20, 2000 NOI.
 - 2.1 Two road segments are included in this variance request. The first segment is the existing road to the Windridge Rubble quarry which is 0.56 mile long and covers 1.09 acres. It will be needed to access the road to be built toward Mahogany Creek. The second segment is a proposed road toward Mahogany Creek. It is estimated to be 0.40 mile long and if constructed 16 feet wide, will

COTTON THOMAS QUARRY

Appendix # 6

cover an area of 0.78 acre. The total of both road segments is 0.96 mile and 1.87 acres. They are shown on Maps # 4, # 5, # 7, and # 8.

The roads will be used for support of the operator's ranch. The new road will meet the existing 4 wheel drive road at about 7,260 elevation at the break in slope between a very steep slope to the north and a lesser slope to the south. The new road segment has nothing to do with mining activities. It is strictly for access to the operator's ranch. The two roads will allow access to the more gently sloped portion of the ridge east and north of Mahogany Creek. They are not planned to be reclaimed.

- 2.2 A road was constructed in late 1998, starting from the Klondike Gold quarry to connect the Cotton Thomas property with an existing road coming from the valley to the east of the property. The road is shown on Maps # 2, # 4, # 5, # 7, # 8. It is approximately 0.83 mile long and 20 feet wide, and covers an estimated area of 2.01 acres. It connects with the existing road to the east of the Star Quarry. The operator has not yet gained permission to use it for an access road. If permission is gained, the proposed 4.7 mile access road noted in Number 1 will not be built. If it is used as a haul road, it will be bonded for reclamation. Otherwise, it serves only as a ranch access road. The plan is to use it for ranching activities. It is not planned to be reclaimed.
- 2.3 A pre-existing road 0.37 miles long covering an area of 0.63 acres accesses a spring located 1,200 feet north of the Camp. It is shown on Maps # 2, # 4, # 5, # 7, # 8. The spring is shown on each of these maps, just to the east of the road about 0.25 mile north of the Camp at the 7,380 elevation level. A pipeline from the spring brings water to the Camp. This water is currently being used to serve the camp at the Autumn Gold quarry. Access is needed to maintain the spring and pipeline. The spring will be used to supply water needs at the ranch during postmining activities. The road is not planned for reclamation.
- 2.4 A pre-existing road coming up the ridge from the south was improved to connect the Autumn Gold, Klondike Gold, and Aspen Frost quarries. It is shown on the original topographic map as well as on Maps # 2, # 4, # 5, # 7, # 8. The bonded portion of this road is 0.23 mile long and covers an area of 0.45 acres. The road is not planned for reclamation. The existing road continues up the ridge to the north although it is not shown on the topographic map. At some time in the future, it will be improved and connected in with the East Granite access road. To the south, the road comes off the ridge, and meets with the main access road coming up Cotton Thomas Basin, near the south end of Section 4, T13N, R27E. This road along with others along the ridge line serve as a hunting access as well as access for ranch activities.

COTTON THOMAS QUARRY

Appendix # 6

2.5 Constructed roads from the Buckskin to the East Granite quarry that are not going to be reclaimed will be used to facilitate post-mining use of the ranch. These segments total 0.72 mile covering 1.40 acres. They are shown on Map # 8. A connecting road from the south noted in section 2.4 will be improved in the future. This road along with others along the ridge line serve as a hunting access as well as access for ranch activities. These segments are not planned to be reclaimed.

The operator requests exemption from reclamation under rules R647-4-105.3.3 and R647-4-110.1 for the above listed segments. The roads will be used for post-mining activities on the ranch and are not planned to be reclaimed. This is a remote location in steep terrain that is difficult to access without a good road system. All of the roads requested are necessary to create a reasonable and beneficial use of the property.

The following section is added to address descriptive changed needed in DOGM's Reclamation Surety Estimate on the page "cotton roads."

7. There is a need to update the road description of some segments in DOGM's Reclamation Surety Estimate on the page "cotton roads." Several segments have been mislabeled. The updated descriptions are labeled with (*). No mileage or acreage is affected.

Line Number	Road Description
13	to Little Heart Quarry
14	to Aspen Frost Quarry
15	from Camp to Antique White Quarry
16	to Windridge Quarry
17	from Camp to Klondike Gold Quarry
18	from Buckskin to West Granite Quarry*
19	from Buckskin to East Granite Quarry*
20	from Autumn Gold to Buckskin Quarry*
21	from north of Camp to Buckskin Quarry*
22	from Camp to Autumn Gold*
23	Misaligned from Buckskin to Autumn Gold Quarry*
24	from West Granite Quarry northwest to existing road*
25	between Klondike Gold & Star Quarry (unapproved)
26	proposed between Buckskin & N Granite (along ridge)
27	proposed from Windridge to Mahogany Draw

DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Ted Stewart **Executive Director** James W. Carter Division Director 801-538-7223 (TDD)

1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax)

October 8, 1997

CERTIFIED RETURN RECEIPT P 074 976 607

Lon Thomas American Stone, Inc. 4040 South 300 West Salt Lake City, Utah 84107

Response to Notice of Non-Compliance and Time Extension Request, American Stone, Inc., Re: Cotton Thomas Ouarry, M/003/024, Box Elder County, Utah

Dear Mr. Thomas:

The Division has reviewed the content of your October 6, 1997, hand-delivered letter and the pertinent attachments. The copy of the sales contract which establishes your ownership of the mine property is acceptable. Your request and justification to leave certain roads and the camp area to facilitate the post mining use of your property are also accepted. We also agree to extend the time frame for you to submit your completed Large Mining Operation Notice of Intention (LMO). Each of these items are discussed in more detail below.

The roads identified in pink, on the topographic map attached to your October 6th letter, as well as the camp area near the bottom of the canyon, will be included as part of the affected area for the mining operation. However, the Division will not require formal reclamation, or the posting of additional reclamation surety to cover these areas, so long as they are not expanded beyond their present configuration. Accordingly, the Division has revised the amount of interim surety required to satisfy the September 18, 1997, Notice of Non-Compliance (NONC) to \$29,000 dollars (14.5 Acres X \$2,000/Acre). The revised amount of interim surety is required by October 20, 1997. Please note, this is only an interim surety. The final surety amount will be adjusted (either up or down) to reflect actual costs of reclamation once we receive and approve your large mining permit application. If additional reclamation is performed before the October 20th deadline for posting the interim surety, the amount could be adjusted accordingly.

The agreements made to mitigate the September 18, 1997 Notice of Non-Compliance (NONC) are as follows:

The interim surety must be in place by October 20, 1997. You agreed to notify the Division by October 16, 1997, of your chosen financial institution. You will provide the phone number and Page 2 Lon Thomas M/003/024 October 8, 1997

> contact person for us to coordinate with at the bank. The Division will forward the appropriate surety forms to the bank so that the interim surety is in effect by October 20th.

- 2. The NONC also requires you to identify (on an appropriately scaled topographic map), a five (5) acre area within which you will restrict your mining activities until the large mining notice is approved by the Division. No new disturbance or expansion of existing disturbed areas is permitted until the LMO is approved.
- Lynn Kunzler of my staff is currently planning an on site inspection before October 17, 1997, 3. to assist you in obtaining the required vegetation information for your LMO. He will notify you when a date is finalized.

Your request for a time extension until August of 1998 to submit your large mine permit application is not acceptable. Under the extenuating circumstances, we agree that a time frame extension is justified. The Division will grant an extension until January 6, 1998 to submit your initial large mine permit application. We anticipate having your operation fully permitted and in compliance by May of 1998.

As always, please call if you have additional questions or concerns that we need to discuss in this regard.

Sincerely,

D. Wayne Hedberg Permit Supervisor

Minerals Regulatory Program

jb cc:

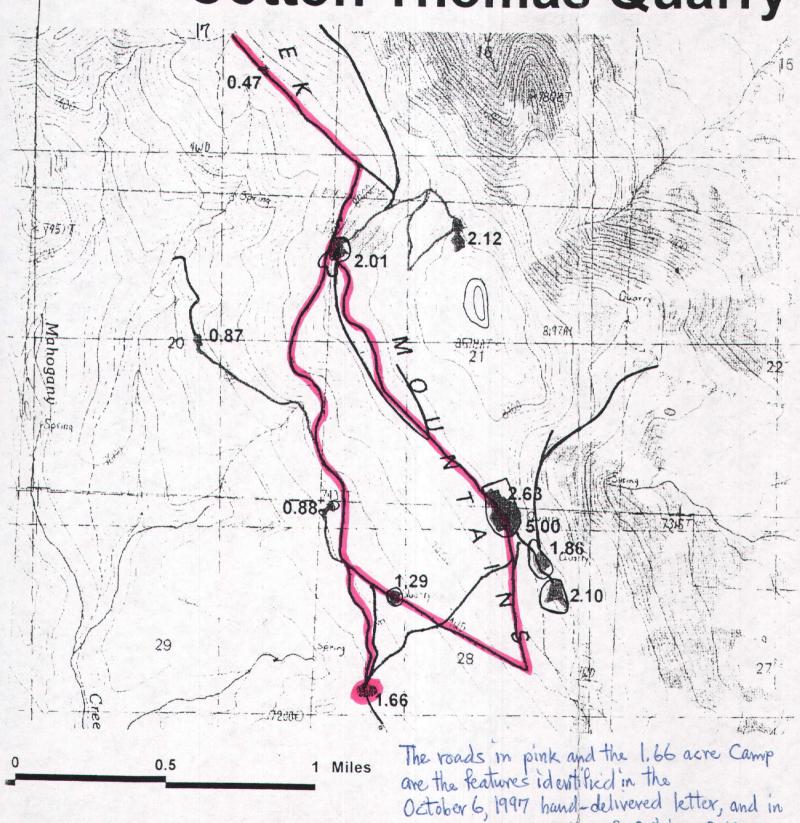
Mary Ann Wright, DOGM Lynn Kunzier, DOGM Dan Moquin, AAG

m003024.let

American Stone Cotton Thomas Quarry 29 The roads in bold golor (originally pink) and the 1.66 acre camp area are the features identified in the October 6, 1997, hand-delivered letter, and in the DOGM reply letter of October 8, 1997. Miles

Appendix #1

American Stone Cotton Thomas Quarry



the DOGM reply letter of October 8, 1997.